

Monthly Factsheet  
30 April 2024

Inception	14 October 2014
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$11 million
Number of Stocks	25

**Share Class** A Class

**Currency** EUR / CHF / USD / GBP

**Management Fee** 1.00%

**ISIN Codes**

EUR: IE00BQQFW266

USD: IE00BQQFW480

CHF: IE00BQQFW597

GBP: IE00BQQFW373

## Fund Managers



**Mark Purdy** has a degree in Economics from Cambridge University and leads the Chelverton Global Consumer Franchise Fund's coverage of Beverages & Food. Mark began his career in fund management at Legal & General in 1985 and then worked at Gartmore (1988-1998), responsible for managing pension scheme equity portfolios. He then moved into investment banking with Dresdner Kleinwort (1998-2001), before joining Deutsche Bank in 2001, where he played a pivotal role in the creation and organisation of its annual Global Consumer Conference in Paris, the largest of its kind. Mark's analysis of consumer franchises started in 1987, and his favourite portfolio product at the moment is Lindt's 70% cocoa Dark Chocolate Bar.



**Harold Thompson** has a degree in Economics from University College London and leads Chelverton Global Consumer Franchise Fund's coverage on the Household and Personal Care sector, globally. Harold began his career as a retail and luxury goods research analyst at Deutsche Bank in 2001, before focusing on the Household and Personal Care industry from 2004. As Harold's expertise developed in his field of research, he picked up numerous awards for providing valuable insights and was regularly called upon to present to the board and executive teams of his coverage companies. Harold's analysis of consumer franchises started in 2001, and his favourite portfolio product at the moment (a functional one) is Reckitt Benckiser's Finish dishwasher tablets.

# Chelverton Global Consumer Franchise Fund

## Fund Overview

The Chelverton Global Consumer Fund is managed by a London-based team with extensive experience covering consumer companies. The fund pursues a long-only, 'Buy-and-Hold' strategy focused solely on global food, beverages and household and personal care companies (the 'Consumer Staples' sector). These companies have historically produced higher long-term returns than the market, and with lower volatility, the sector tends to combine attractive income generation with inflation protection and growth, supported by brands and franchises which have often been built over decades, even centuries.

The fund does not measure itself against any benchmark but has the objective of beating inflation consistently, with low risk and low volatility, through the ownership of high-quality Consumer Staples stocks that the team believe are capable of growing their earnings and cash flows at attractive rates almost indefinitely. The fund seeks to balance its desire to own the best quality stocks with a need to diversify its portfolio risk – it will be a concentrated portfolio (20-25 stocks), with low turnover.

## Monthly Manager Commentary

Markets declined in April as continued economic strength and inflationary pressures in the US put back the timing of any interest rate cuts. Increased commodity prices also renewed fears that inflation would be higher for longer.

The most notable moves came in our Asian beauty holdings, led by a very strong performance from the 2 Korean businesses, Amore Pacific and LG H&H. Travel in the region has continued to accelerate, and demand in China has been more positive after a difficult year in 2023. Forecasts for both companies were raised significantly after strong Q1 results, and we see this as just the beginning of a sustained recovery in profitability and, in due course, their valuations. Our Japanese holdings were modestly higher over the month, ahead of their Q1 results in May that should also benefit from the on-going strength of inbound tourism. The other notable event in Asia was confirmation of a bid for L'Occitane from Chairman and controlling shareholder, Reinold Geiger. Whilst it is always disappointing to lose the long-term upside from any of our portfolio companies, we did have some reservations around the narrow nature of its recent growth profile. The proposed take-out price would represent a return of over 50% this year, and more than double our average purchase price, on the portfolio's biggest position.

Towards the end of the month we started to see some early Q1 results announcements, with a number of companies returning to volume-led growth after a period that has been driven much more by pricing. In particular, Unilever recorded its 2nd successive quarterly volume increase, confounding the sceptics and lending further support to the turnaround plan under new CEO Hein Schumacher. A renewed focus on sales execution, backed by a more focused management incentive programme, is driving this improved sales performance – and we expect this to continue, given the strong platform and excellent positions in emerging markets. Beiersdorf also reported strong results, as it benefits from a sustained focus on Nivea and Eucerin in particular, highlighting the strength of the equity behind both brands. It is a good example of how businesses with a narrow portfolio of brands are often able to outperform their more broadly spread peers.

There was also further weakness in the Spirits sector, driven by weak US industry data and reduced guidance from Pernod. Although the portfolio does not own Pernod (or Diageo), their weakness did have some impact on both Bece (owner of the Jose Cuervo brand) and Brown Forman (owner of Jack Daniels), as well as Fever-Tree (despite its strong recent results and guidance). Campari continued to be a notable outperformer of the industry, both in terms of sales growth and its share price. It also completed its acquisition of Courvoisier, which we expect to be a significant growth driver in the medium/longer-term.

The top 3 contributors in the month were AmorePacific, Beiersdorf and Unilever. The top 3 detractors were Nomad Foods, Bece and BellRing Brands.

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GBP Class A: launched 14 October 2014

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	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2014	-	-	-	-	-	-	-	-	-	-2.78%	5.62%	3.71%	4.53%
2015	6.21%	1.72%	-0.42%	-1.12%	1.56%	-5.59%	5.90%	-4.92%	2.87%	5.57%	1.05%	1.58%	14.48%
2016	3.04%	1.02%	3.14%	-1.16%	0.32%	11.44%	0.48%	0.23%	0.79%	1.68%	-9.04%	2.81%	14.48%
2017	0.43%	7.80%	1.97%	-1.63%	8.00%	-2.82%	-1.68%	1.89%	-4.69%	1.16%	0.43%	3.53%	14.45%
2018	-3.40%	-5.49%	-0.38%	-0.96%	0.79%	3.32%	4.32%	-1.03%	-0.72%	-1.99%	-1.35%	-6.63%	-13.19%
2019	0.62%	3.51%	7.09%	-0.66%	-0.19%	1.90%	3.87%	0.31%	-1.84%	-5.06%	3.46%	0.58%	13.88%
2020	-0.69%	-7.11%	-3.48%	6.50%	4.50%	1.05%	-3.00%	0.29%	4.13%	-5.47%	5.44%	4.09%	5.24%
2021	-3.23%	-3.78%	6.65%	4.25%	2.33%	2.16%	-2.93%	-0.56%	-1.04%	-0.50%	1.31%	4.60%	9.00%
2022	-3.27%	-1.08%	-1.33%	2.23%	-0.59%	-2.09%	0.35%	0.64%	-3.99%	-0.15%	6.60%	0.83%	-2.25%
2023	-0.15%	-1.06%	1.43%	1.87%	-6.06%	-1.25%	2.95%	1.37%	-5.21%	-5.78%	0.77%	4.72%	-6.86%
2024	-1.22%	2.66%	1.15%	0.01%									2.58%

## EUR Class A: launched 17 April 2015

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2015	-	-	-	-	-	-	-	-	-	-	-0.36%	-3.30%	-3.64%
2016	-0.44%	-1.16%	1.42%	0.22%	2.55%	2.56%	-0.86%	-0.73%	-0.93%	-2.22%	-3.63%	2.26%	-1.15%
2017	-0.20%	8.44%	1.80%	-0.04%	4.36%	-3.59%	-3.47%	-1.24%	-0.20%	1.61%	0.02%	2.73%	10.05%
2018	-2.11%	-6.47%	0.59%	-1.01%	0.79%	2.49%	3.43%	-1.39%	-0.22%	-1.56%	-1.43%	-7.69%	-14.14%
2019	3.53%	5.46%	6.39%	-0.43%	-2.95%	0.69%	2.22%	0.87%	0.33%	-2.58%	4.64%	1.19%	20.63%
2020	0.09%	-9.19%	-6.20%	8.53%	0.85%	0.03%	-2.14%	1.24%	2.46%	-4.82%	6.02%	4.19%	-0.38%
2021	-2.09%	-1.95%	8.69%	2.13%	3.56%	2.24%	-2.29%	-1.12%	-1.25%	1.30%	0.53%	5.99%	16.21%
2022	-2.80%	-1.27%	-2.26%	2.82%	-1.73%	-3.33%	3.09%	-2.42%	-5.46%	2.09%	5.83%	-1.75%	-7.50%
2023	0.42%	-0.36%	1.12%	1.90%	-4.07%	-1.02%	3.10%	1.41%	-6.40%	-6.17%	1.85%	4.16%	-4.65%
2024	0.35%	2.36%	1.22%	0.12%									4.09%

## USD Class A: launched 19 February 2016

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2016	-	-1.21%	6.37%	0.73%	-0.32%	2.35%	-0.21%	-1.13%	-0.03%	-4.90%	-4.66%	1.68%	-3.66%
2017	2.26%	6.63%	2.47%	1.77%	7.76%	-2.22%	-0.21%	-0.41%	-0.76%	0.13%	2.37%	3.46%	25.30%
2018	1.55%	-8.42%	1.43%	-2.75%	-2.62%	2.52%	3.65%	-1.94%	-0.39%	-3.97%	-1.50%	-6.80%	-18.27%
2019	3.92%	4.66%	4.91%	-0.62%	-3.50%	2.90%	-0.06%	-0.23%	-0.68%	-0.30%	3.42%	3.01%	18.45%
2020	-1.19%	-9.99%	-6.30%	8.34%	2.42%	1.00%	3.03%	1.87%	0.98%	-5.45%	8.87%	6.57%	8.59%
2021	-2.79%	-2.04%	5.24%	4.61%	4.80%	-0.46%	-2.30%	-1.57%	-3.05%	1.16%	-2.22%	7.08%	8.01%
2022	-4.19%	-1.07%	-3.17%	-2.51%	-0.21%	-5.66%	0.55%	-3.77%	-7.89%	3.68%	9.56%	1.84%	-13.19%
2023	2.19%	-2.71%	3.59%	3.56%	-7.37%	1.30%	4.19%	-0.17%	-8.70%	-6.33%	5.13%	5.45%	-1.30%
2024	-1.33%	1.98%	1.02%	-0.87%									0.76%

Source: Northern Trust & Chelverton 29 February 2024

## Market Cap Breakdown

	No of Stocks	% of Portfolio
Above £30bn	8	36%
£10bn to £30bn	4	13%
Below £10bn	13	50%
Cash		1%
<b>Total</b>	<b>25</b>	<b>100%</b>

Source: Northern Trust & Chelverton 30 April 2024

## Regional Exposure by Listing

	% of Portfolio
Europe	45%
Asia	33%
North America	21%
Cash	1%
<b>Total</b>	<b>100%</b>

Source: Northern Trust & Chelverton 30 April 2024

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